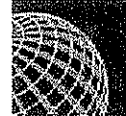


**Continental**



**PILOT BULLETIN**

**Date:** March 13, 2007  
**Expires:** Upon notification  
**File #:** I - 07 - 057  
**Subject:** Pilots Defined Contribution Plan (B-Plan) and Military Leave

**To:** All pilots who utilize Military Leave

Continental has many pilots with an obligation to perform military service through the guard or reserves. Since USERRA does not require employers to provide compensation to employees on military leave, this sometimes results in these pilots having their paychecks reduced when they are unavailable to perform their awarded flying. Some pilots have asked if, during the period a pilot is on military leave from Continental (Military Leave), the Company would treat such pilots as if they had received compensation during the Military Leave for certain purposes under the B-Plan, which provides eligible pilots with an employer contribution based on a percentage of the pilot's monthly eligible compensation. The Company has decided that if certain requirements are met upon a pilot's return from Military Leave, a pilot may be eligible for B-Plan contributions for the periods of Military Leave, as further described below.

If a pilot is eligible to receive B-Plan contributions for Military Leave, as described below, a pilot's B-Plan contribution will be based upon the pilot's deemed "compensation," as the term Compensation is defined in Section 28, Part 4, Paragraph G of the collective bargaining agreement (Deemed Compensation), for the period of the pilot's Military Leave. A pilot's Deemed Compensation will be calculated using the pilot's average Compensation over his or her last 12 Active Status months. For each bid period, the Company will calculate a "daily rate" based on the average Compensation per day that the pilot earned during his previous 12 months of Active Status (that is, we will not count the months during which the pilot was on Military Leave for the entire bid period as "zero income" months, and we will look back to include an entire Active Status month during which he had no Military Leave to use in the average). That calculated "daily rate" will be multiplied by each day of Military Leave that is verified in the process described below, providing the pilot with Deemed Compensation to be used solely for the purpose of calculating the pilot's B-Plan contribution for his Military Leave period.

In order to verify Military Leave, pilots with Military Leave on their schedules must bring a copy of their military pay records to their Chief Pilot's office, denoting the dates of military service that correspond to the dates of their Military Leave. The Chief Pilot's office will then check-off each verified day of Military Leave. This information will be used to calculate the pilot's Deemed Compensation to be used for the above mentioned B-Plan contribution eligibility. Military Leave can be verified by the Chief Pilot's Office beginning the 10<sup>th</sup> of each month that follows the month of Military Leave; for example, a Military Leave taken in the November bid period can be verified beginning the 10<sup>th</sup> of December. Military Leave can be verified for up to 6 months after the month of the Military Leave. (If you have a Military Leave that extends longer than 6 months, please see your Chief Pilot's office and we will make appropriate accommodation.)

Military Leaves during the March 2007 bid period and beyond may be verified after April 10, 2007. For those pilots who have submitted paperwork for Military Leaves prior to March 2007, their B-Plan contributions have been calculated.

Continental Airlines has a long history of supporting our pilots with Military Leave obligations, and we are pleased to introduce this new program to help mitigate the personal impact that Military Leave service has on each of these pilots.

Sincerely,

Captain Fred Abbott  
Vice President, Flight Operations